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October 14, 2016

VIA US MAIL AND EMAIL

Ms. Melanie Hill

Tennessee Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, Tennessee 37243

Mr. Jim Christoffersen

Tennessee Health Services & Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street, 9th Floor
Nashville, Tennessee 37243

Re: Waynesboro Health & Rehabilitation Center (CN1411-045A)

Dear Melanie and Jim:

To follow up on our discussion about the CON extension and change request submitted on September 29, 2016, regarding Waynesboro Health & Rehabilitation Center (CN1411-045A), the applicant requests that the Agency members consider the following information.

As to the delays noted in the September 29 letter, related to architectural and engineering work required to finalize the site development plans and costs, attached you will find two architectural drawings from the original CON application (labeled "original"), two new drawings (labeled "revised"), and both a topographical drawing and two photographs indicating the slope of the property. As portions of the initial design proposal created a more challenging construction process than originally anticipated, given some of the limitations of the site, the design modifications have been proposed by the architects and engineers. However, these modifications are not expected to increase the overall cost of the project.

On the attached topographical drawing, the building labeled "1 Story Masonry Building" (which has never been a part of the nursing home) will be replaced with a new wing for the nursing home. The original plans called for the new wing to extend beyond the footprint of the existing building (to the northwest). However, due to the slope in that area of the property, as shown on both the topographical drawing and the two photographs taken at that end of the building, it has been determined that the design of the new wing should be shortened slightly. By shortening the length of the new wing, a relocation of the existing gravel driveway will not be required, and one new retaining wall can be reduced in size (the replacement of the current wooden retaining wall shown in one photo) and another new retaining wall can be eliminated (which would have been required to support a relocated driveway). The shortened wing requires the movement of the location of four resident rooms, as well as reconfiguration of some other spaces within the renovated existing building.

As to the corporate restructuring project noted in the September 29 letter, the project is currently in a "PropCo-OpCo-MgmtCo" structure, with Waynesboro Real Estate Investors, LLC

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as the "PropCo," Waynesboro Healthcare, LLC as the "OpCo," and Health Services Management Group, LLC ("HSMG") as the "MgmtCo." While that structure will not change, the ownership of both the PropCo and the OpCo will change, but still be within what the applicant considers to be the "HSMG Family." The membership interests in both Waynesboro Real Estate Investors, LLC and Waynesboro Healthcare, LLC would be transferred to the Trousdale Foundation. The members of Waynesboro Healthcare, LLC are currently the Thomas D. Johnson Revocable Trust and the Judith L. Johnson Revocable Trust (Judith Johnson is the wife of Tom Johnson). The Trousdale Foundation, Inc. is a 501(c)(3) corporation benefiting the Trousdale School, which serves high functioning adults with intellectual disabilities, providing academics and life skills for the purpose of learning independence. More information about the school can be found at <http://www.trousdaleschool.org/> Tom Johnson, the founder of HSMG, and his wife, Judy, are co-founders of the Trousdale School. As well as managing several healthcare facilities in which the Johnson family has ownership interests (either directly or through certain trusts), HSMG also manages three healthcare facilities owned by the Trousdale Foundation. The restructuring project will also modify some of credit facilities used by those various facilities.

I, along with representatives of these various entities, will be at the HSDA meeting on October 26, 2016 to answer any questions agency members may have, and if you desire we will be glad to discuss this further with you and other members of the agency staff before the meeting.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

A handwritten signature in black ink, appearing to read "Michael D. Brent". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael D. Brent

MDB/ced
Enclosure

Cc: Ms. Kelli Canan

ORIGINAL



96

Schematic Main Level Plan
1/16" = 1'-0"

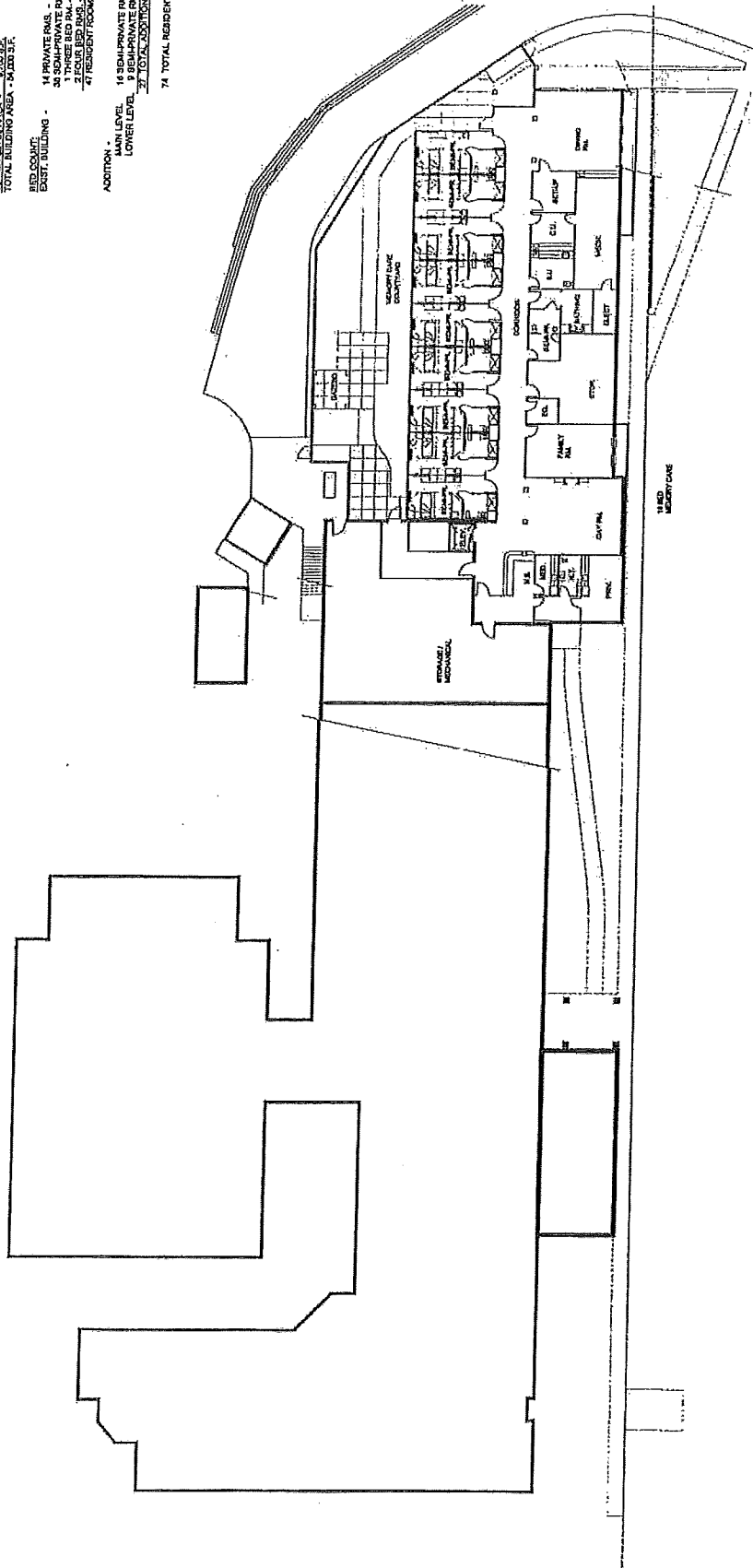
Wayne County
Skilled Nursing Facility Addition
Waynesboro, Tennessee

11 September 2014



ORIGINAL

AREA				
EXISTING BUILDING AREA - 30,200 S.F.				
ADDITION				
MAIN LEVEL AREA - 11,100 S.F.				
LOWER LEVEL AREA - 8,700 S.F.				
TOTAL BUILDING AREA - 50,000 S.F.				
BED COUNT				
EXIST. BUILDING				
14 PRIVATE RMS.	14 BEDS			
36 SEMI-PRIVATE RMS.	72 BEDS			
1 PRIVATE RM.	2 BEDS			
27 TOTAL BEDS				
ADDITION				
16 SEMI-PRIVATE RMS.	32 BEDS			
9 SEMI-PRIVATE RMS.	18 BEDS			
27 TOTAL ADDITION RMS.	50 BEDS			
74 TOTAL RESIDENT RMS.	100 BEDS			



BUILDING PLAN
Scale: 1/16" = 1'-0"

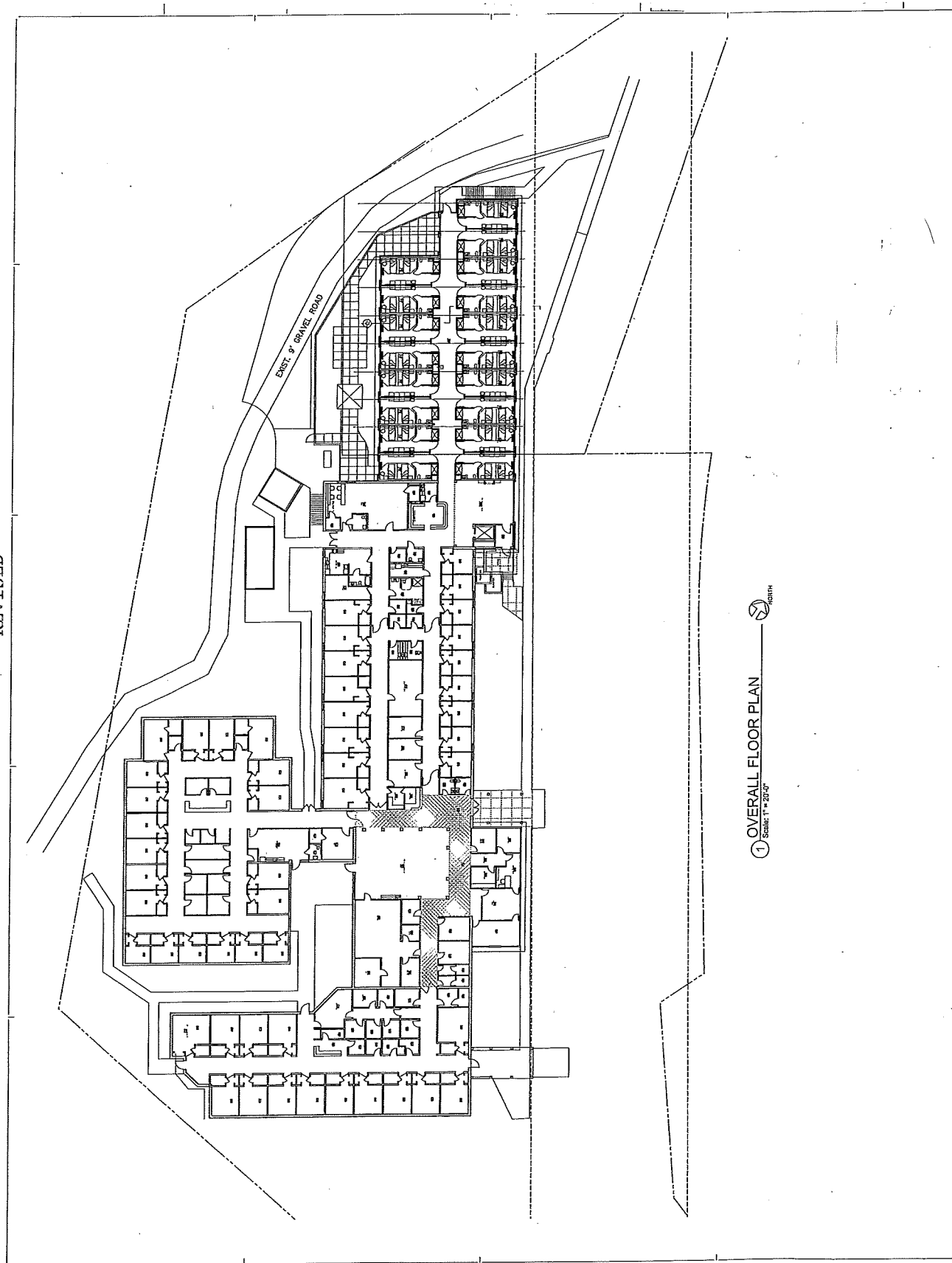
Schematic Lower Level Plan
1/16" = 1'-0"

Wayne County
Skilled Nursing Facility Addition
Waynesboro, Tennessee

11 September 2014

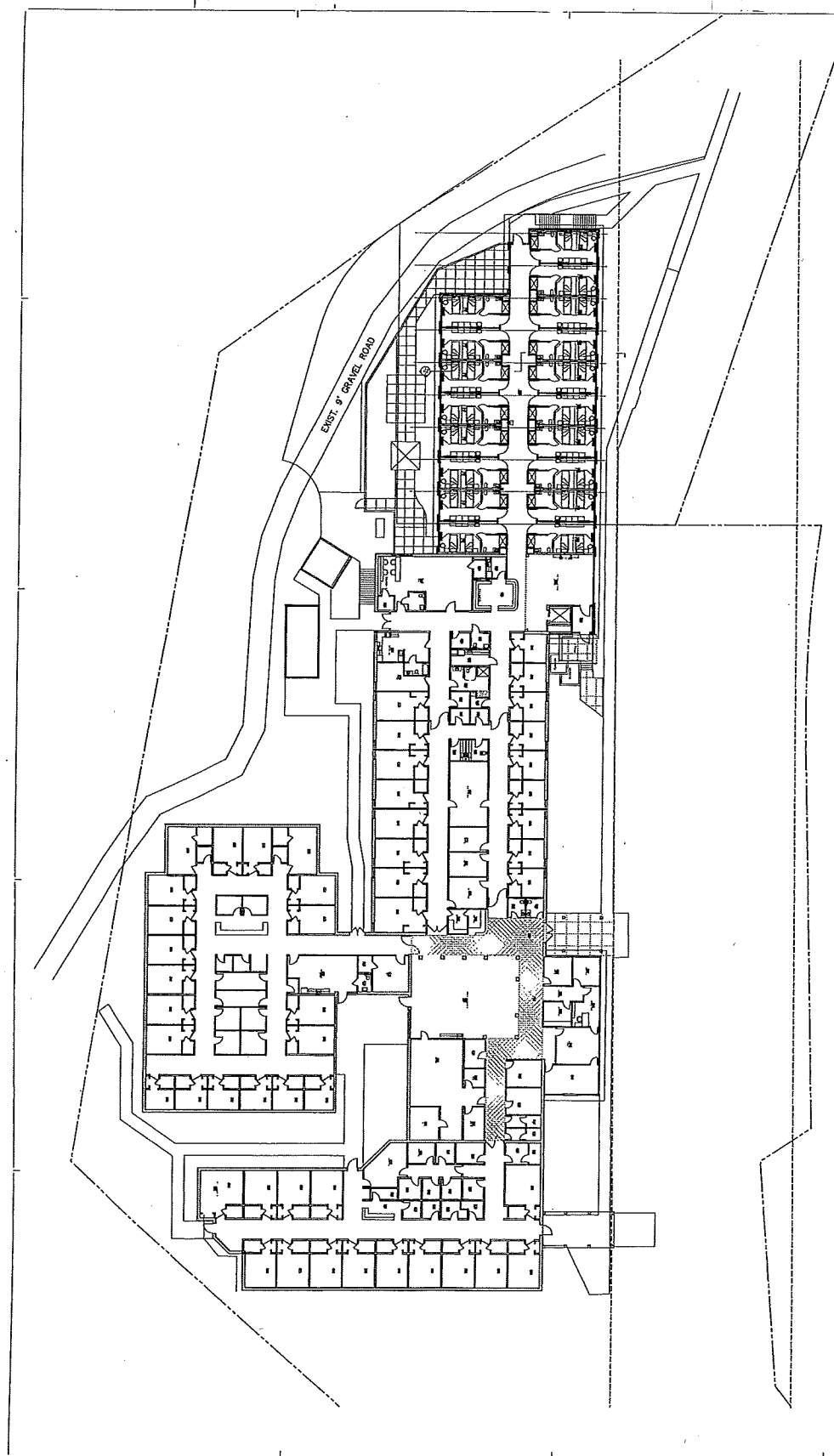


REVISED



① OVERALL FLOOR PLAN
SCALE 1" = 20'-0"
NORTH

REVISED



① OVERALL FLOOR PLAN
Scale: 1" = 25'-0"





